Delta ATL Airside Modernization Project CMR Pre-Proposal Conference held on January 14, 2016 RFI Response #4 dated January 27, 2016



Additional RFI's related to the above project have been submitted; Delta provides the following responses:

- 1. A project of this magnitude can be more successfully managed with a sub-default insurance program. The contract is currently silent on this. Please clarify whether Delta is open to the use of such program and whether these insurance rates can be reimbursed as Cost of the Work.
  - a) This product is often used on large projects by general contractors or Construction Managers in lieu of subcontractor performance and payment bonds. This product would not provide Delta with any direct protection from the default of the Construction Manager. Delta is open to such a program as long as the Construction Manager provides the appropriate Payment and Performance Bond to protect Delta (please reference page 44 of Attachment A Construction Manager Agreement). Article 8, section 8.1.10 of Attachment A Construction Manager Agreement clarifies that such costs are reimbursable.
- 2. Please provide clarification on exactly what Delta expects as to reimbursable personnel rates. On the one hand, the RFP contemplates an Exhibit H with preapproved personnel rates for the CMR's employees managing the Project. On the other hand, Section 8.1 and 8.2 of the Construction Agreement contemplates that direct wages paid to employees will be reimbursed. Please clarify whether preapproved personnel rates will be used for purposes of auditing or whether Delta expects the CMR to only seek reimbursement for actual salaries/wages paid.
  - a) Actual salaries/wages paid.
- 3. Has Delta determined the daily LD rate, and will Delta be capping the LD exposure?
  - a) LD's will be by concourse based on the final agreed upon construction schedule. Due to the visible impact to our customers in each gate during construction, the LD will be \$2,000 per day for each unfinished gate by concourse. LD's will be capped at contract value.
- 4. Section 12.4 alludes to certain materials potentially being tax exempt. Does Delta know of any applicable tax exemptions for this Project?
  - a) There are no known tax exemptions at this time.
- 5. Sec. 5.5., 5.5.1 and Sec. 10.5.4 (among others) can both be read to obligate Construction Manager to not just guarantee a maximum price for the Project but to actually guarantee line item prices for individual Project Elements. This is a more arduous process to manage than a traditional GMP, wherein the Construction Manager would indeed provide a schedule of values, however it would not in any way be guaranteeing individual Project Element costs, but instead would be obligated to deliver the entire Project under the stated GMP. Please clarify whether that is the intent of the Owner?
  - a) The Construction Manager (CM) will be obligated to deliver the entire project under the stated FGMP. However, the Owner fully expects the CM to identify and solve issues during the Pre-Construction Services period. Thus, it is expected that the FGMP SOV will be solid. The only potential changes beyond the FGMP shall be for unforeseen conditions that could not have been identified during the Pre-Construction Services period or added scope.